

QUESTIONS AND ANSWERS

ACTIVE ACCOUNTS

How do I find out the amount in my retirement account?

An annual statement of account is sent to employees shortly after the beginning of the new year. For security reasons, we cannot release information on anyone's account over the telephone. We can, however, respond to requests in writing or in person. You may either write or fax this office and request the information, providing us with a signature and social security number.

How long does it take to receive the pay out of retirement funds?

From the date processing begins, it usually takes no more than two weeks for a check to be delivered to you. However, processing does NOT begin until you have been terminated from the payroll system. The timing of that termination is entirely in the hands of your department. In general, however, it rarely takes a over month to receive a check.

I have a financial emergency. Can I borrow against my retirement?

Loans are not permitted. There are only three circumstances under which a member may withdraw contributions from the Retirement System. One: retirement. Two: resignation from employment. Three: terminal illness.

If someone is fired, can he/she still retire? Withdraw contributions?

Yes. It does not matter why you leave City service, you are always eligible to withdraw the contributions you made to the Retirement System.

Also, if you are eligible to retire, you cannot be denied a retirement.

If I'm not vested and I quit my job, how long may I leave my funds in the Retirement System?

You may leave your contributions in the Retirement System only if you are a vested member of the Retirement System, or if you left City employment to work for a governmental system that is covered by either the City of Tacoma, the City of Spokane, or PERS, TERS, or LEOFF retirement programs.

To be vested means that you have worked for the City of Seattle in a full-time position and contributed to the Retirement System for five (5) years. If these conditions do not apply to you, you will need to withdraw your contributions within two (2) months of your leaving City employment; that includes rolling your funds into an IRA.

When will statements of account be available?

Your statement of account is available each year at the end of January and is sent to you at your home. If you do not receive a statement of account, please check with your payroll department; your address of record may not be correct. If you have other questions regarding your statement, contact this office.

BENEFICIARY

Who is my beneficiary?

Your beneficiary is the person you designated on your beneficiary form. If you do not remember who you have designated as your beneficiary, or if you wish to change your beneficiary, please contact this office.

Who can I have as my beneficiary?

Unless you have a spouse, you may have anyone you wish, including your estate or favorite charity. If you have a spouse, you must designate your spouse as your beneficiary. If your spouse is willing to sign a waiver of rights, you may have anyone you wish.

THE BOARD (Meetings, etc.)

Who is on the Retirement Board and how may I contact them?

The Retirement Board is composed of seven members. They are:

John Curtin	Elected Member
Dwight Dively	City Finance Director
Jan Drago (Chair)	City Council
Frank Mathews	Appointed Member
Norma McKinney	City Personnel Director
Mary Norris	Elected Member (Retired)
Lou Walter	Elected Member

You may contact them by mail through this office.

The address is Retirement Board, 801 – 3rd Avenue, Suite 300, Seattle, WA 98104.

Where and when is the next Board meeting?

Retirement Board meetings are generally held at 8:30 AM on the first Thursday of every month on the third floor of the Seattle Metropolitan Credit Union Building, Third and Columbia. As with anything, there are occasional changes in schedule.

BONUS CHECK

When does my bonus check increase? How much will it be?

Bonuses are calculated on an individual basis. A full description of the calculation method is available in the Employees' Handbook. We would be very happy to provide you with the appropriate page if you would call this office to request a copy.

I retired in 1998 (or later). Why don't I get a Christmas bonus check?

All retirees receive an increase to their pension in December. For those who retired before 1998, the increase is in the form of a bonus, also known as the 13th check. Beginning with those who retired in 1998, the increase is in the form of a COLA and amounts to 1.5% of your monthly pension amount. That is, each December the monthly pension amount increases by 1.5%. This amount is compounded yearly. Example: if you receive \$1000 per month, in December your pension will increase to \$1015 per month. And the next year, your monthly total will be increased by 1.5% again so that your monthly pension will be \$1030. This compounding increase will continue as long as you receive a pension.

BOOKLETS (Brochure)

Beyond the Employees' Handbook, do you have a more complete description of the Retirement System?

The Employees' Handbook is the most complete description available through the Retirement Office. If you wish more in depth information, you can obtain a copy of the Municipal Code sections that govern the Retirement System at the City Clerk's office on the first floor of the Municipal Building, 600 – 4th Ave., or on the City of Seattle website.

Do you have any information on disability retirement? A booklet?

There is information on disability retirement in the employees' handbook. But if you need more, you can speak with the Retirement Office's Assistant Director, Mel Robertson at (206) 615-1424.

When will the annual reports be available?

New editions of the annual report are usually available in July or August.

CALCULATING RETIREMENT (Estimates)

I just received an estimate. Why doesn't it include shift differential pay?

When calculating an estimate, only an employee's base salary is used. Other rates earned by the employee, such as shift differential, are included only in the final calculation, when the employee retires. Due to the volume of estimate requests we receive, nuances such as this are not researched and included. At the time of your retirement, however, everything is researched and included.

Do overtime hours count toward retirement?

No. Only standard hours are used when computing retirement, 80 hours per pay period being the maximum number allowable.

Does out of class pay count toward retirement?

Yes. If applicable, out of class pay is always factored into your final retirement calculation.

Why is my membership date different than my hire date?

Employees hired before January 1, 1999 were made members of the Retirement System approximately six months after being hired. (The approximation is due to this: Employees are made members at the start of a pay period, not on the sixth month anniversary of hiring.) Employees hired after January 1, 1999 are made members within a month of their hire date. Thus, hire dates and membership dates do not coincide.

I started working before January 1, 1999. Can I purchase retirement credit for my first six months of service?

If you were hired before January 1, 1988, at retirement you receive a credit of 181 days (the equivalent of your first six months work credit) at no additional cost to you.

If you were hired from January 1, 1988 through December 31, 1998, you will have the opportunity to buy retirement credit for your first six months of service. This opportunity will become available when the Retirement System reaches a "funding ratio" of 95% or more. The funding ratio is the percentage that results from dividing the Retirement System's actuarial assets by its actuarial liabilities. The actuarial assets represent the value of the investments and cash the Retirement System holds for funding retirement benefits. Actuarial liabilities are the cost of the benefits the Retirement System must pay to retirees.

We anticipate that it will be at least a year from now before the 95% funding ratio will be reached. However, it could easily take longer. We'll get the word out when this happens. If you are interested in this form of buy-back, you may contact this office at any time, (206) 386-1293.

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I bought back service credit. Why didn't my membership date change? How do I know if I am receiving credit for the time I have purchased?

As with your employee number, your membership date does not change. If you wish to know the total retirement credit you have earned, including any purchased time, you may request a Time Estimate from this office. The Time Estimate will reflect your purchased time (if any) in one of two ways: Either by an addition of time to service credit or by a decrease in the total amount of time loss. Both of these are shown on the Time Estimate.

Does the Rule of 80 apply to my retirement?

Some retirement plans determine eligibility by using a "Rule of 80." The City Employees' Retirement System does not base benefits on such a rule, so it does not apply to your retirement.

CHANGES (Divorce, Domestic Partner, Death, etc.)

My relative/friend died. What should I do concerning his/her retirement benefits?

Please promptly call or write to the Retirement Office. Depending on the circumstances, certain benefits may be payable to a beneficiary. Our office will look into this and answer your questions.

I'm getting a divorce. What happens with my retirement?

This depends on the terms of the divorce. The Retirement Office will assist you in any way it can and answer questions you or your lawyer might have. Before we can give out any information to anyone, however, we will need your written permission. You may supply that through a letter from you or your lawyer. We can then compute a retirement estimate for the years in question, or give you the current value of your account, or provide any other information you may wish.

I'm getting a divorce. Can a QDRO apply to my retirement while I'm an active employee? After I retire?

Qualified Domestic Relations Orders do not affect your retirement benefits while you are an active employee. A QDRO may affect your retirement benefit after you retire. The Retirement System will try to implement any provisions of the QDRO that do not violate our policies. Before it becomes a Court Order, you may send a draft of any QDRO to this office for review.

I just moved. Can I give you my new address over the phone?

Any information that affects your pension, including address changes, must be provided to this office in writing. Please include your social security number and signature in all correspondence.

Active employees need to contact their payroll department to change their address, name, marital status, etc. The Retirement System does not make changes to active employee records.

I am moving. I notified the Post Office. Is that sufficient?

You must change your address with us directly. This means sending a letter to notify this office. Please include your name and social security number. And, of course, the new address.

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I have a domestic partner. How do I register him/her with the Retirement System? Get medical/dental coverage for him/her?

If you are an active employee and your Domestic Partner is not registered with City Personnel at the time you retire, you must register with City Personnel prior to retirement to be eligible for benefits. Your partner may then be covered for medical/dental when you begin your retirement.

If you are not working for the City of Seattle but are eligible for retirement benefits, you may register your domestic partner with this office at any time. If you wish to register a domestic partner after you retire, you should contact this office [(206) 386-1293.] to receive a registration form. That person is then eligible for medical/dental coverage.

Domestic Partners must be registered with the City of Seattle at the time of your retirement to be eligible for joint survivor benefits under Options D and E.

CHECKS

I just retired and received my first check. It's different than the amount quoted in my estimate. Why?

Two things might account for this. First, estimates are only estimates and are not intended to be exact. They are to be used as guidelines only. The exact amount of a person's pension can only be determined when the person retires. Second, if you retire on any day other than the first day of the month, your pension will be adjusted to compensate for that. That is to say, any days worked during the month in which you retire are prior to your retirement and therefore will not be included in the pension amount.

Today is the 8th of the month. Why is my check late?

Retirement checks are scheduled for receipt on the first day of the month. If the first of the month is on a Saturday, the check will be dated for the last day of the previous month and should arrive on Saturday. If the first falls on a Sunday, the check should arrive the next day, a Monday (unless that day happens to be a holiday, in which case the check should arrive on Tuesday). However, delays with the mail can occur. Any number of reasons could be put forth to explain the lateness of your check, anything from the weather to heavier than usual mail volumes.

We offer you an alternative to the U.S. Mail Service. It is electronic banking deposit. This method of delivery avoids the mail, is simple and direct, and can be counted on to deliver your funds on the date expected.

When are retirement checks available?

The simple answer is: Retirement checks are payable on the first of every month. However, if that date falls on a Saturday, the checks are made payable on the day before, Friday, which will be either the 30th or 31st of the previous month. If the first is on Sunday, however, the check will be dated for the next day, Monday.

January 1st is different. The Retirement System pays only 12 checks per year. To do otherwise would cause tax problems for our members. Therefore, regardless which day January 1 falls on, the check will be dated for the first business day after the holiday.

I use electronic banking deposit. I notified you of my bank account change and my next check came to my home. Why?

Whenever a member changes a bank account, our standard procedure is to send the very next check to the home. This is done in order to verify your account information. Assuming there are not problems with your account information, all subsequent checks will be sent to your bank.

Some persons change their address at the same time they change their bank. Because any change in your bank account information will cause your next check to be sent to your home address, it is important that you indicate whether the address on your form is new or not.

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The first of the month is on Saturday (Sunday). When will pension checks be available?

If the first of the month falls on a Saturday, pension checks are dated for the previous day.
If the first is on Sunday, checks are dated for the next working day.

January 1st falls on Friday. When will my pension check be available?

January checks are always dated the first business day after January 1. This is done so that you will not receive more than 12 retirement checks in any year. Your check will be available the first business day after January 1.

I have selected a “G” option. When will my payout check be ready?

Your “G” option payout check should be available at approximately the same time as your first retirement check. If your retirement date is during the first pay period of a month, you will receive a retirement check on the 1st of the following month.

EXAMPLE: if you retire on February 6, you will most likely receive a check on March 1. However, if your retirement date falls after the end of the first pay period of a month, your retirement and payout check will be available one month later: that is, on April 1.

Because the checks are processed in the Finance Office, there may be a slight difference between the availability dates of the two checks. We will contact you when your payout check is available for pickup.

MEDICAL

How much will my medical insurance premiums be?

We have a sheet with that information which we can send to you. All rate adjustments are negotiated by the Provider, the City and the Unions. We cannot speculate on any future changes.

What's the difference between the medical plans? Can I have a booklet that tells about the medical plans?

If you are under 65, the City offers 3 medical plans: Group Health, Aetna Traditional and Aetna Preventative. If you are 65 or older, the City offers two programs, Group Health and Secure Horizons. You may enroll in any of these at the time you retire. (No medical program is available to members who vest their funds before retirement.) We have comparison sheets that outline much of what these plans offer. Contact this office [(206) 386-1293.] if you wish a copy of the comparison sheet.

I'm turning 65. How will this affect my medical coverage?

If you are turning 65 and are currently covered under a medical program through this office, the City offers two programs: Group Health and Secure Horizons. When a retiree turns 65, he/she may switch to coverage under either of these two programs. A comparison sheet for the two programs is available.

If you have not already done so, you also need to contact Social Security. Their number is 800-772-1213. You may also contact them on the Web at www.SSA.gov.

Why are medical premiums so high?

As you are no doubt aware, the cost of medical care continues to rise for everyone. The Retirement Office does not participate in the negotiation of medical premium rates. Premium rates are set after discussions between the providers, the City and the Unions. The service provided by the Retirement Office is to collect a retiree's monthly medical premium and pass it on to the provider.

I'm 65 and need medical coverage. Do you have a plan I can join?

If you are not presently covered by a medical plan through the City of Seattle, you cannot be covered by any plan offered by the City. There is no open enrollment period for those 65 and over.

If you are currently covered by a medical program offered through the City of Seattle, you have two options for over 65 coverage: Group Health and Secure Horizons. You may cancel your coverage under either of these programs at any time, but if you do so your coverage cannot be reinstated in the future.

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When can I change medical plans?

You may change medical plans when you retire. If you choose to retire under COBRA, you may change medical plans when your COBRA coverage ends. You may also change during any open enrollment period, if an open enrollment is held.

Who decides which medical plans and benefits are offered?

The plans, benefits and options offered by the City are the result of discussions and negotiations between the City, unions and medical providers. The Retirement Office is not a party to those discussions and negotiations. Therefore, the Retirement Office may not have available the information to answer your specific questions and may refer you to the medical provider for answers.

I have a severe medical condition. Can I withdraw my contributions and still keep my job and medical coverage?

Yes, if approved by Retirement Board, severe medical conditions are grounds for withdrawal of retirement funds. This condition must be certified by your physician and it must be considered terminal within two years.

When do I choose a medical plan?

Under current rules, you must choose a medical plan within 30 days of retirement or you will lose the option of being covered through the Retirement System.

If at any time you discontinue medical coverage through the Retirement System, your choice is irrevocable and your medical coverage can never be reinstated.

If you do not chose to be covered by any of the Retirement System's offered medical plans, neither your spouse nor any children will be eligible for coverage.

One exception is if you are married to a City employee and continuously covered by your spouse's active medical plan. In that case, you may choose not to be covered through the Retirement System when you retire and wait until your spouse retires to sign up for medical coverage.

Can I return to permanent City employment after I retire and defer or stop medical deductions from my monthly retirement checks, and be allowed to resume retiree group medical coverage later?

Yes, provided that you are continuously covered by City-provided medical and when you leave City employment you enroll within 30 days of when the City-provided coverage ends. *(You will need to pay for retiree coverage for the period immediately after the City-provided coverage ends.)*

NUMBERS (Info)

What are the telephone numbers for Police Pension and Fire Pension? Washington State Retirement System (PERS)?

Police Pension:	(206) 386-1286
Fire Pension:	(206) 625-4355
Washington State (PERS):	(360) 709-4700

Does the Retirement Office have an 800 number?

Yes. 1-877-865-0079.

Does the Retirement System have a web site?

Yes. www.cityofseattle.net/retirement

How do I get information on deferred compensation?

The Retirement System does not administer the deferred compensation program. Deferred comp is a service offered to City Employees through the City of Seattle's Personnel Department. At this time it is being administered by Fidelity Investments. Their main offices are in Boston, MA. Their direct number is 800-430-2363. In the Personnel Department you may contact Leana Proffitt at (206) 684-7928.

Where do I pay my dues for ARSCE? What's the address?

To join ARSCE (Association of Retired Seattle City Employees), you need to contact Joanne Kinsella at ARSCE, P.O. Box 75385, Seattle, WA 98125-0385. Include the first year's dues, \$6.00. Yearly deductions will be automatically taken from your retirement check in July.

PREPARING TO RETIRE

Who do I talk to about retirement classes?

The person to speak with is Sheila Moss, and her phone number is (206) 386-1293.

What do I do about Social Security?

Questions concerning Social Security need to be addressed to the Social Security Administration. Their toll-free phone number is (800) 772-1213. If you wish to reach them on the Web, their address is www.SSA.Gov.

I am thinking of retiring. What happens to my sick leave and vacation?

Your own department maintains this information and is best able to handle questions related to sick leave and vacation. You need to contact your Payroll or Human Resources section.

I want to apply for retirement. What do I do?

Your first step [before retiring] is to call the Retirement Office at (206) 386-1293 and request an Estimate of Benefits. This will provide you with a good idea of what you can expect to receive under each of the retirement options available to you. If you haven't already done so, you should study the retirement options and decide which one you wish to select. Then, when you are within 3 or 4 months of retiring, call this office so that we can schedule an appointment date for you to sign up for retirement.

You may email this office. We are listed in GroupWise under "Retirement".

You might also consider contacting Social Security and requesting an estimate from them as well. Their general information number is 800-772-1213. They are also available on the Web at www.SSA.Gov.

Summary of Advantages and Disadvantages of Options

<u>Option</u>	<u>Advantages</u>	<u>Disadvantages</u>
Straight Benefit	A monthly benefit that provides the most money individually to a retiree.	Does not provide for a beneficiary after your death.

If providing money to a beneficiary is not needed, then a Straight Benefit may be the option for you.

A	Beneficiary gets paid in a lump sum, after your death, the difference between the amount of your own retirement contributions with interest, and the amount of your own retirement contributions received prior to death.	Beneficiary gets the remaining portion of your contributions, but does not get the City matching funds. Beneficiary does not receive monthly payments.
B	Same as option A with the exception that beneficiary gets paid monthly benefits until your accumulated contributions with interest have been paid out to you and your beneficiary.	Same as option A, except beneficiary receives monthly payments instead of a lump sum, for a limited period of time.

If you want to select a beneficiary and the need would be for only your portion of contributions, then Option A or B may be the option for you. Regarding your own monthly benefit, your accumulated contributions with interest are paid out each month, with the City matching funds, and are usually expended after about 10 years.

C-5	Your beneficiary is guaranteed a payment for 5 years after your retirement date. Beneficiary payments continue for a specified period at the same amount that you were receiving.	If you live beyond 5 years there's no benefit for a beneficiary.
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If you want a relatively high individual benefit, but at the same time have some coverage for a beneficiary for 5 years after your retirement, then C-5 may be the option for you.

C-10	Beneficiary is guaranteed a payment for 10 years after your retirement date. Beneficiary payments continue for a specified period at the same amount that you were receiving.	If you live beyond 10 years there's no benefit for a beneficiary.
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If you want to provide a benefit to a beneficiary for an amount of time comparable to option B, but would like the beneficiary to receive an amount equivalent to what you were receiving, then C-10 may be the option for you.

C-15	Beneficiary is guaranteed a payment for 15 years after your retirement date. Beneficiary payments continue for a specified period at the same amount that you were receiving.	If you live beyond 15 years there's no benefit for a beneficiary.
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If you would like a beneficiary to have more than 10 years of coverage, then C-15 may be the option for you.

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Summary of Advantages and Disadvantages of Options

<u>Option</u>	<u>Advantages</u>	<u>Disadvantages</u>
C-20	Beneficiary is guaranteed a payment for 20 years after your retirement date. Beneficiary payments continue for a specified period at the same amount that you were receiving.	If you live beyond 20 years there's no benefit for a beneficiary.
<p>If you would like to have lengthy but not guaranteed lifetime coverage for a beneficiary, then C-20 may be the option for you.</p>		
D	Lifetime coverage of one-half of retiree's benefit for spouse (at time of retirement) after death of retiree.	Retiree's monthly retirement allowance is reduced, but if spouse dies before retiree, pops up to unreduced Straight Benefit amount.
<p>If you would like to cover your spouse for his/her lifetime after your death and the need will be less than your full monthly amount, then this may be the option for you. Domestic partners who are registered with the Retirement System, at the time of retirement, can receive the same benefits as a spouse.</p>		
E	Lifetime coverage of full amount of retiree's benefit for spouse (at time of retirement) after death of retiree.	Same as option D, except retiree monthly retirement allowance is further reduced.
<p>If you would like to cover your spouse for his/her lifetime after your death and have him/her receive the same monthly amount as you, then this may be the option for you. Domestic partners who are registered with the Retirement System, at the time of retirement, can receive the same benefits as a spouse.</p>		
F	Combined amount of City retirement and Social Security is intended to be approximately level throughout retiree's lifetime.	No beneficiary unless this option is combined with a beneficiary option. Monthly retirement allowance is lowered when you reach the Normal Social Security retirement age when you would begin receiving unreduced Social Security payments.

If Option F is selected, that selection must be in addition to choosing an option A,B,C,D,E or Straight Benefit. If you would like to try to have a level income by adding your retirement allowance and Social Security, and can have your monthly pension amount lowered when you reach normal Social Security age (currently between age 65 and 67), then this may be the option for you. Your monthly allowance will be reduced by the amount calculated by the Retirement System, taking COLA's into account, regardless of whether the estimated future Social Security payments are accurate.

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Summary of Advantages and Disadvantages of Options

<u>Option</u>	<u>Advantages</u>	<u>Disadvantages</u>
G-50	You receive one-half of your own accumulated contributions with interest, in lump sum at retirement, plus a reduced monthly retirement amount.	No beneficiary unless combined with a beneficiary option. Reduced monthly retirement allowance. Taxes will be withheld on amount withdrawn unless lump sum is rolled over into a qualified IRA.
<p>If Option G is selected, that selection must be in addition to choosing an option A,B,C,D,E or Straight Benefit. If you would like to receive a lump sum of one-half of your contributions and can live with a reduced pension, then G-50 may be the option for you.</p>		
G-100	You receive your own accumulated contributions with interest, in lump sum at retirement, plus a reduced monthly retirement amount.	No beneficiary unless combined with a beneficiary option. Reduced monthly retirement allowance. Taxes will be withheld on amount withdrawn unless lump sum is rolled over into a qualified IRA.

If Option G is selected, that selection must be in addition to choosing an option A,B,C,D,E or Straight Benefit. If you would like to receive a lump sum of all of your contributions and can live with a reduced pension, then G-100 may be the option for you.

Please note:

A beneficiary can be anyone chosen by the retiree, such as: a domestic partner, spouse, child, friend, or charitable organization, etc., except that beneficiaries for options D and E are limited to domestic partners that are registered with the Retirement System at the time of retirement, or spouses at the time of retirement.

The actuarial value of each of the above options is the same.

Options A,B,C,D,E and the Straight Benefit provide for a monthly income for the rest of your life, regardless of how long you live. After you have received a retirement benefit for about 10 years, options A and B will provide nothing for a beneficiary. In some instances, option F may cause your benefit to cease upon reaching the normal Social Security age, and thus you would receive no further City retirement benefits. The C options do not provide for a beneficiary if you live beyond the period you choose to guarantee (e.g. 5,10,15 or 20 years).

TIME (Buy-back, Additional, Military, etc.)

Can I buy back temporary/intermittent time? How do I do that?

Your first opportunity to purchase “back time” is when you become a member of the Retirement System. If you have any time that has not been covered by retirement contributions, you may make arrangements to pay for it then.

You may also pay for back time when you become a permanent employee.

And finally, you may choose to pay for “back time” if you are rehired into the City. **However, you must contact the Retirement System and make the choice to repay within 2 years of your initial hire date.**

Interns and Work Study students are not eligible to become members of the Retirement System. If an Intern or Work Study is directly hired into a Temporary or Permanent position, a small amount of their time is applied toward making them a member. No other time may be purchased or applied to their account, however.

I work for the State. Can I repay for previous time worked for the City?

State employees may redeposit with the City withdrawn retirement contributions and thereby obtain credit for the time worked for the City of Seattle. To do so, you must contact this office within two years of being hired by the State of Washington. The cities of Tacoma and Spokane, as well as any agency covered by PERS, TERS and LEOFF are also participants in this “portability” program.

To find out more about the State’s regulations, you may wish to contact PERS: (360) 709-4700.

Does any of my military time count toward retirement? National Guard or Reserve time?

If you leave City employment to go into the military and return to City service within 90 days of discharge from the military, you are eligible to pay for your service time, up to a maximum of five years. Service in the National Guard or Reserves is normally covered, provided you remain employed by the City while on duty. This includes time spent when called to active duty.

If you leave City employment to go into the military and **do not** return to City service within 90 days of discharge from the military, or have military service prior to becoming a City employee, you still may be able to purchase this time, up to a maximum of five years, however you will need to pay the actuarial cost of the benefit.

What is the actuarial cost?

This is the value of the benefit that you will receive over your lifetime. This means you are paying for the full financial value of the increased retirement benefits that will result from a buyback of additional service credits.

Our calculations determine how much your monthly allowance would increase, and then multiply that by the amount of months the actuarial tables say would be the average lifespan for someone your age, less some discounting for present value.

MISCELLANEOUS

What type of retirement plan do we have?

This is a “defined benefit” plan. That is, the types of and formulas for retirement benefits you can expect to receive are known at the time you are employed. Also, in the City system the retirement amount is guaranteed for the length of your life. In other systems, you are allowed to accumulate funds in the system but the value of those funds is not known until the time of your retirement; for better or worse, in those systems the value of your retirement will vary depending on individual investment results.

I need a 1099R. How do I get that?

Call this office [(206) 386-1293] and give us your social security number. We will have a copy mailed to you.

Do you have return-postage envelopes?

The Retirement Office does not normally provide return-postage envelopes. We can provide return-address envelopes, but these do not come with postage.

I’m a retiree working as a temporary employee. How many hours may I work without affecting my retirement? Do overtime hours count?

City of Seattle retirees are allowed to work in a temporary position up to a total of 1040 hours in a given calendar year with no effect on his or her pension payments. These are regular hours; overtime hours are not counted. After 1040 hours, pension payments will be reduced by approximately 60%. This applies for each calendar year in which a retiree works. If the retiree does not work 1040 hours in a calendar year, no reduction is made to the pension. The total of worked hours does not carry over from year to year.

While out on industrial leave, I received only 80% credit toward my retirement. Why? Can I pay for the additional 20%?

During your time on industrial leave, only 80% of the normal retirement contributions are made to your retirement account. You have the option of paying for the additional 20% of your contributions.